



Stafford County FY13 Proposed Budget

March 6, 2012



Cultivating a Great Community



Principles of Responsible and Accountable Government

- Maintain a balanced budget.
- Maintain a AA bond rating.
- Fully fund our pension liability.
- Borrow money only for capital projects and borrow under strict debt limitations.
- Maintain Reserves
 - 12% undesignated fund balance
 - Reserve for capital projects
 - Revenue Stabilization (Rainy Day) Reserve
 - Stafford Opportunity Fund (for economic development projects)
- Report weekly to the Board on costs savings and efficiencies.
- Estimate revenues conservatively.
- Spend less than adopted budgets.
- Maintain lowest per capita expenditures among peer localities.
- Monitor expenses/revenues weekly.
- Consistently use innovative practices to manage government as efficiently as possible.
- Provide monthly financial report to the community.



Stafford in the Headlines

Stafford budget looks good midyear

BY JONAS BEALS

Date published: 1/19/2011

BY JONAS BEALS

Stafford to hire anti-gang deputies

Four new Sheriff's deputies will fight gang activity in Stafford

Date published: 1/20/2011

BY JONAS BEALS

Pay, Jobs on the Rise

Date Published: February 21, 2012

BY KATIE THISDELL

Stafford's bond rating improves

Stafford County's bond rating raised to AA.

BY KATIE THISDELL

Date published: 11/23/2011

BY KATIE THISDELL

S&P Rate Stafford Higher

November 22, 2011 - PotomacLocal.com

Stafford School Raises Approved

Stafford School Board Approves pay Raises for Most Employees

BY JEFF BRANSCOME

Date Published: 5/25/2011



What we've done so far:

- **S&P Bond Rating Upgrade to AA**
- **Tax Burden Reduced**
- **Economic Development Ten-Point Plan**
- **FY11 Positive Results of Operation:
\$6.6 million**
- **Led Virginia in job growth over last five
years**
- **Innovation Team**
- **Sheriff's Gang Task Force**
- **Low Crime Rate**
- **Strengthened Financial Policies**
- **Roads, parks and schools projects
underway**



Relentless Advancement

- **Enhanced Bond Rating**
- **Quantico Research and Technology Park**
- **350th Anniversary**
- **School Renovations and Rebuilds**
- **Career and Technical Education Center**
- **Permanent Germanna Campus**
- **Historic Trails**
- **Wayfinding Signs**
- **Quantico Joint Land Use Study**
- **Redevelopment Implementation Underway**
- **Communication Plan Under Development**
- **Employee Engagement**
- **Transportation Progress**
- **Human Services Master Plan**
- **Retail Study**



What Does Cultivating a Great Community Mean?

- **Relentless Advancement**
- **Purpose-driven Work**
- **Innovating and Saving**
- **Engaging Citizens, Businesses and Employees**



Board's Budget Direction on 2/11/12

- **No tax increase**
- **Increase local funding for schools**
- **Take a critical look at Warrenton Road Service District**
- **Review Personal Property tax rates on vehicles**



The FY13 Budget is driven by an overall theme of Fiscal Responsibility and Reducing the Tax Burden with the following Board priorities:

- **Education**
- **Public Safety**
- **Infrastructure**
- **Economic Development**
- **Service Excellence**

Required Increases

- **VRS (County and Schools)**
- **Radio Communication System Maintenance**
- **Corrections**
- **Financial Policies**

Average Residential Tax Bill Down 11% in 5 Years (Inflation Adjusted)

- Constant tax rate of \$1.08

Calendar Year	Average Tax Bill	Average Tax Bill, inflation adjusted	Difference
2008	\$ 2,747	\$ 2,747	\$ -
2009	\$ 2,747	\$ 2,851	\$ 104
2010	\$ 2,672	\$ 2,840	\$ 168
2011	\$ 2,623	\$ 2,885	\$ 262
2012	\$ 2,682	\$ 2,978	\$ 296

-11.0%



Personal Property

- **For citizens driving the same car as last year, tax bill is down 7% on average**
- **Revenues are up due to strong sales of new cars, increasing the total value of the fleet by 3.5%**

Revenue Summary

- Conservative Estimates
- Used worst-case state scenario

<i>in millions</i>	FY 2012 Adopted	FY 2013 Projection	Change
Real Estate	136.0	138.5	2.5
Personal Property	41.7	43.4	1.7
State and Federal Support *	14.6	13.5	(1.1)
Public Services Corporations	2.8	3.6	0.8
Sales Tax	10.1	10.7	0.7
Service Charges & Other Fees	7.4	8.0	0.6
Development Fees	4.0	3.7	(0.3)
Recordation	2.2	2.3	0.0
All Others	22.4	22.9	0.6
Total	241.2	246.6	5.5

- * State implementation of new payment system for Social Services Child Day Care program. Payments no longer issued through County; clients provided a debit card to pay for these services. Social Services expenses have been reduced accordingly.
- Taxable Real Estate Value = \$12.8 billion. Every penny on the tax rate = \$1.24 million.
- Best case state revenue scenario adds \$265k.



Board Priority

Fiscal Responsibility

Reducing the Tax Burden

- **Fully funding VRS obligation**
- **Financial Policies/Reserve Levels met**
- **Adjusted Parks User Fees (market based to reduce tax support)**
- **Debt Management (Schools and County)**
 - **Refinancing and early payoff of debt saves \$1.8 million in FY13 and saves \$425,000 in interest over the life of the loans**

How Do We Compare?

- **Stafford 5-year Comparison**
- **Total budget down 8% (inflation adjusted)**

<i>In millions</i>	FY 2008 Adopted	FY 13 Inflation-Adjusted	FY 13 Proposed	Difference FY 13 Proposed v. Inflation-Adjusted
General Fund Budget	242.3	265.8	246.6	(19.2)
GF Non-Public Safety Budget	52.7	57.8	45.2	(12.5)
Average Residential Tax Bill	2,747	2,978	2,682	(296)

- **Lowest general government cost among peer localities**



Board Priority
Fiscal Responsibility
Reducing the Tax Burden

Citizen Assistance Volunteers

- The Citizens Assistance and Volunteer Services Office works with about 85 volunteers who give their time to the County in various departments. Their service saves the County approximately \$311,000 each year.

Energy Conservation

- Mitigated 65% of electricity rate increase through reduced consumption



Board Priority
Fiscal Responsibility
Reducing the Tax Burden

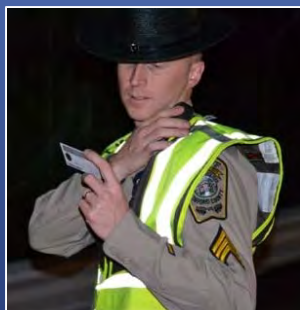
- **Service Districts**
 - **Warrenton Road**
 - Route 17 widening funded by VDOT
 - Reduction in rate from 9.9 cents to 5 cents fully funds:
 - Sebring Connector
 - Federally required bike lanes
 - **Garrisonville Road**
 - Rate is equalized from 9.2 cents to 8.8 cents



Board Priority

Public Safety

- **Radio Communication System**
 - Full year of maintenance costs
- **Enhanced Courthouse Security**
 - 2 additional deputies
 - 1 conversion from part-time
 - Number of judges increased from 6 to 7
 - Will allow temporarily assigned deputies to return to field operations
- **Corrections increase \$456,000**



Board Priority

Public Safety

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Fire and Rescue Hypothermic Intervention

First system in the Rappahannock region and in northern Virginia to use this protocol on patients.

Sheriff's Volunteers

- Traffic safety
- Data entry/clerical
- Emergency communications
- Crime prevention

Board Priority **Education**

Largest Operating Transfer in Stafford's History

	FY12	FY13	Change
Operating	101.7	105.4	3.7
Public Day School	-	0.3	0.3
Total	101.7	105.7	4.0

- Operating Transfer Increase = \$4 million: single largest increase in the FY13 Budget
- With pending General Assembly decisions increased buying power of approximately \$12 million
- Expanding Public Day School:
 - Defrays costs of mandated private day school placements
 - With no change, costs are expected to increase \$750,000
 - Enhanced partnership opportunity for schools and Human Services
- Includes one half of state recordation fees, currently in Transportation Fund. Funds must be used for education or transportation.

Board Priority

Education

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Public Day School

- Continued partnership with Stafford County Public Schools in providing least restrictive community based services to special education students in Stafford
- Serving 27 youth, saving \$300,000/year

BACC Program for Youth

- Opportunity for students to engage in local government through participation on boards, authorities, commissions and committees



Board Priority

Infrastructure

- **3 Park Bond Projects Underway**
 - Chichester Park
 - Musselman Park
 - Rectangular Field Complex
- **6 Road Bond Projects Underway**
 - Mountain View Road
 - Poplar Road – Phases 2, 3
 - Brooke Road
 - Garrisonville Road
 - Truslow Road
- **Enhanced One-Time Cash Capital for Parks**
 - \$500,000 toward major maintenance
 - Recurring source of funds to replace SAFER Grant in FY14
- **30 Capital Projects Underway**

Board Priority

Infrastructure

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Parks/Property Maintenance

Through technology and innovation, Parks, Recreation and Community Facilities staff are maintaining more with fewer people.

Areas Maintained	2008	2012	Increase/ Decrease
Acres	968	1,360	40.5%
Building SF	397,400	560,000	40.9%
Park Maintenance and Building Mechanic Staff FT Funded Positions	29	23	-20.7%

England Run Library Shelves

After receiving initial bids with high costs for new library shelves at the England Run Library, Public Works revised the bid package and saved nearly \$150,000 with a manufacturer who used newer, more efficient manufacturing technology.



Board Priority

Economic Development

- **\$200,000 increase to EDA for Stafford research and technology park**
- **Stafford Opportunity Fund fully funded**
- **Technology upgrades for online permitting**
 - **Finance with a technology fee**
- **Tourism Tech new position (Tourism Fund)**
 - **Special Events**
 - **350th Anniversary and other historical events**
 - **Ferry Farm Opening**
 - **Virginia Golf Trail**
 - **Branding Strategy**
 - **Enhanced Marketing Efforts**

Board Priority

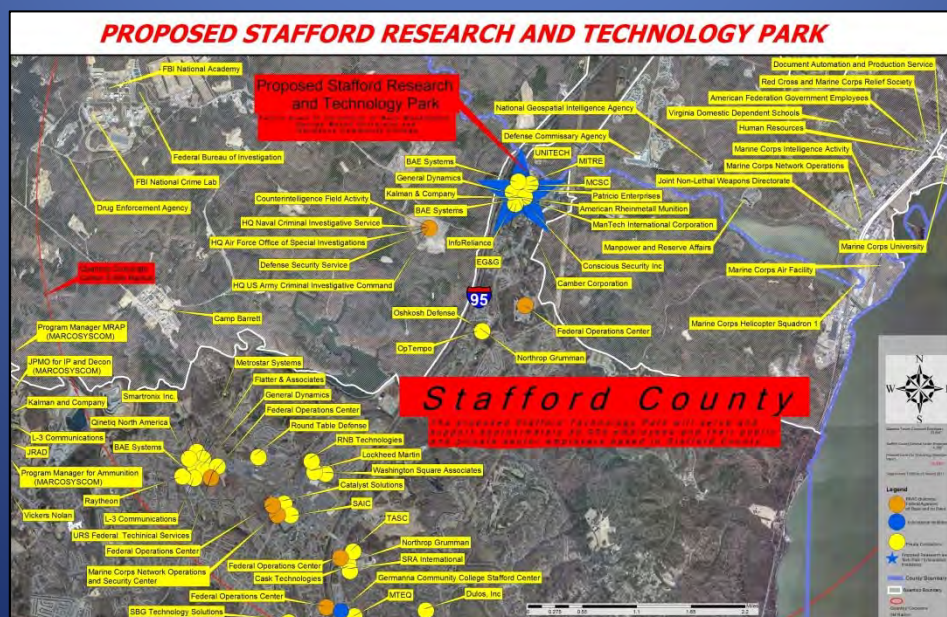
Economic Development Cultivating a Great Community

GIS Map of Defense Contractors

The University of Maryland University College was convinced in part to lease office space at the Quantico Corporate Center by the map below of defense contractors created by a GIS staffer. Every employee plays a role in promoting Stafford's economic development efforts.

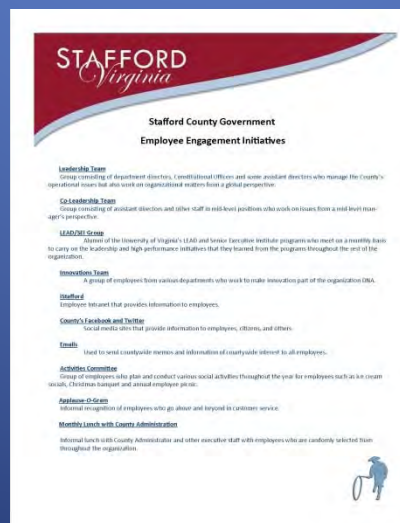
Stafford Research and Technology Park

Stafford has led Virginia in job growth over the last 5 years. The Stafford research and technology park will continue to advance the Board's efforts to stay on top.



Board Priority Service Excellence Customer Service

- Citizen Survey
- Community Development Service Center
- 311 Center
- Employee Engagement



Board Priority
Service Excellence
Employee Engagement

- **Increasing competitiveness of employee compensation package**
 - **Implement Health Insurance Employee Contributions Phase 3**
 - **Continue Pay for Performance, 4/1/13**
 - **Shift health insurance costs to salary resulting in no additional cost to the County**
 - **Part-year health premium holiday paid for with FY12 health insurance savings**
 - **Contingency of \$300,000 for VRS 5/5 (subject to General Assembly)**
- **Wellness initiative to promote health and generate savings**



Board Priority
Service Excellence
Cultivating a Great Community

BRE Business Visits

- 230 visits to different businesses in past 2 years
- Improved business relationships

IT Firewall

An external contractor was hired to attempt to breach the IT firewall. IT discovered and located the hacker in 22 minutes, and the County's system was not compromised.



Transportation Progress

- **VRE**
 - Subsidy down \$158,000
 - Spotsylvania One-time Credit \$455,000
- **FRED Increase: \$15,000**
- **Recordation Tax: split 50/50 with Schools**
- **Cash funding for bond projects**
 - Truslow Road
 - Poplar Road
 - Mountain View Road
 - Brooke Road
 - Courthouse Road West
- **Funding for gateway clean-up and street acceptance programs**



Utilities

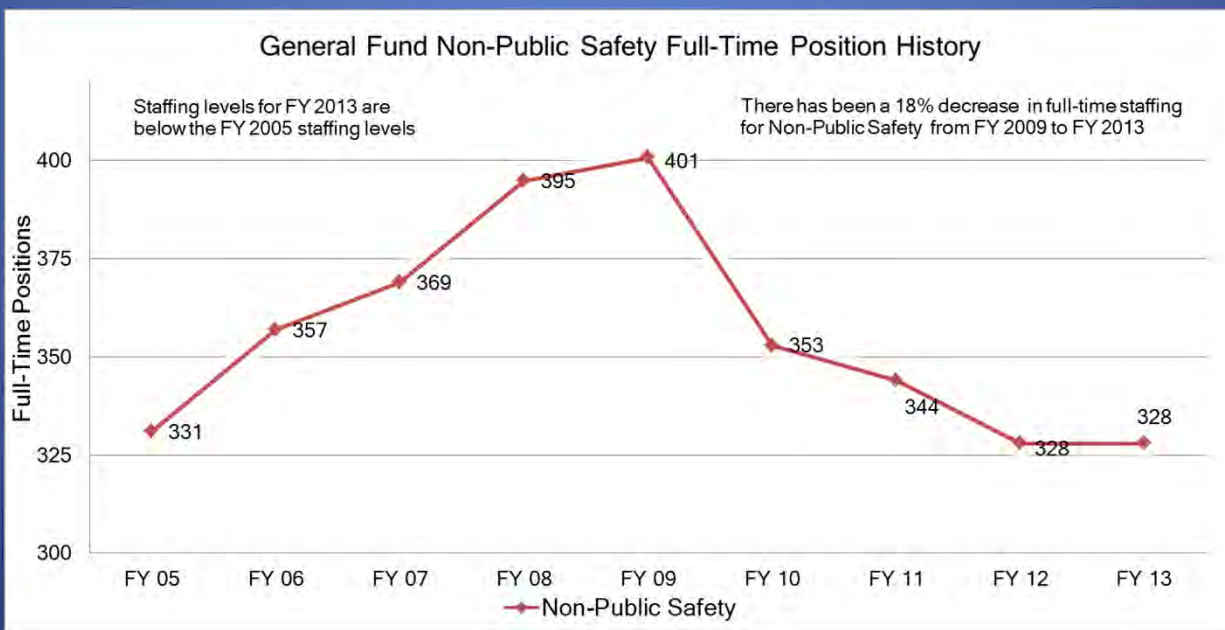
- **Construction of Rocky Pen Run Dam and Water Treatment Facility Underway**



- **Anticipate bond issue in 2012**
- **Utilities Commission reviewed CIP, rate model and availability fees**
- **Upcoming Board work session**

Staffing Plan

- General Fund Non-Public Safety staffing is lower in FY 13 than FY 05





Partner Agencies

- **Community agencies down \$56,000 due to final payment of Moss Clinic capital paid in FY12**
- **Funding recommendations determined by process adopted by the Board:**
 - Services
 - Target Population
 - Value to Stafford Citizens
 - Plan for Improvement
 - Fiscal Responsibility
 - Avoid Duplication of Services
- **England Run and Porter libraries**
 - Open 7 days a week
 - \$300,000 increase due to circulation and Sunday opening



CIP Summary

- **10-year CIP**
- **Bond capacity: \$394 M**
- **Schools: \$236.4 M: 60%**
- **County: \$157.6 M: 40%**
- **Includes continuation of parks and road bond projects and school projects**
- **Matches \$10M annually in state revenue sharing road funds**
- **Detailed work session during the budget process**



Budget Calendar

- **March 6 – Proposed Budget Presented**
- **March 20 – Authorize Public Hearings**
- **April 4 – Public Hearings**
- **April 17 – Board Adopts Budget**
- **Suggested work sessions**
 - **Capital Improvement Plan**
 - **School Board Joint Work Session**
 - **Utilities**
 - **PFM (Financial advisers)**



Future Considerations

- **Corrections**
 - Loss of \$1.6 million annually in state revenue to regional jail
- **SAFER Grant ends in FY14**
- **CIP - Operating costs for new facilities**
- **Storm Water Management**
- **Public Safety Staffing**
- **Employee Compensation**

Budget Summary

	FY2012 Adopted Budget	FY2013 Proposed Budget	Change '12 to '13
School Operating Funding			
Operating Budget Transfer	101.7	105.4	3.7
Public Day School	-	0.3	0.3
Total School Operating	101.7	105.7	4.0
Public Safety	36.0	38.0	2.0
County Agencies	45.7	45.2	(0.5)
Debt Service			
County	11.6	10.2	(1.4)
School	27.4	26.4	(1.0)
Total Debt Service	39.0	36.6	(2.4)
All Other	18.8	21.1	2.3
Total all Expenditures	241.2	246.6	5.4



Budget Summary

- **Largest County school operating transfer in Stafford's history (\$4 million increase)**
 - Education is the largest increase in FY13 budget
- **From FY08 to FY13 (inflation-adjusted basis)**
 - Homeowners real estate tax bill down 11%
 - Total Budget down 8%
- **Non-Public Safety staffing lower today than in 2004**



Budget “Tweet”

- **Cultivating a great community by investing in:**
 - **What’s most important**
 - **Service excellence**
 - **Strategy for enhanced bond rating**



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